

UNITED STATES BANKRUPTCY COURT
DISTRICT OF RHODE ISLAND

In re:

ISAIAS LIONEL TERRERO &
ACELIA A. TERRERO

B.K. NO. 15-11812
Chapter 13

MEMORANDUM OF LAW IN SUPPORT OF
DEBTORS' MOTION TO
CONVERT TO CHAPTER 11

1. That on September 14, 2015 the Debtors filed for relief under Chapter 13 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Rhode Island to prevent a foreclosure on the commercial premises located at 1137 Broad Street, Providence, Rhode Island, which is presently in the names of the Debtors.

2. That the Debtors are also the sole shareholders of Ada's Creations, Inc. (hereinafter referred to as "Ada's"), which has operated a catering and wedding business at this same address for more than twelve (12) years.

3. That on September 24, 2015, Ada's Creations, Inc. filed an emergency Petition for relief under Chapter 11 of the United States Bankruptcy Code, to prevent the City of Providence from revoking its catering and liquor licenses at 1137 Broad Street, Providence, Rhode Island, based upon alleged failure to comply with a payment schedule for police detail work.

4. That the primary source of the Chapter 13 Debtors' income is their corporation, Ada's, which is an affiliate under 1015(b) of the Bankruptcy Code of the Debtors. In this case, Ada's operates the business on substantially all of the property of

the Debtors under a lease agreement.

5. That it would be in the best interest of the Creditors to convert this case to a Chapter 11 Proceeding, where the related Chapter 11 of Ada's is the real source of income to fund both proceedings.

6. The joint administration of these cases will streamline the Chapter 11 Proceedings and reduce and eliminate unnecessary costs associated with maintaining two separate proceedings. On the other hand, there will be no prejudice to creditors from the joint administration of these matters.

WHEREFORE, Debtors pray that this Court enter an Order converting the above case to a Chapter 11 Proceeding.

ISAIAS LIONEL TERRERO &
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By their Attorney,

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